




NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 98-03

DATE: January 29, 1998

SUBJECT: 1998 Turn-Back Water
Pool Program

FROM: 
Director, Department of Water Resources

The Department of Water Resources is offering to interested contractors who have signed the Monterey Amendment, the opportunity to sell allocated 1998 entitlement water through two turn-back water pools. There will be a Pool A and Pool B. The procedures for administering the program are described in Article 56 of the long-term Water Supply Contracts. A participating State Water Project contractor may sell allocated 1998 entitlement water that it will not use within its service area, provided that (1) the contractor has not elected to store project water outside its service area in 1998, and (2) the contractor has not elected to carry over entitlement water from 1997.

To participate in the program either as a seller or buyer, a SWP contractor must agree to the terms and conditions in this notice and attachment, sign and date the attachment, and mail the attachment to Donald R. Long, Chief, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. Signed and dated attachments must be received by February 15, 1998. Last-minute submittals should be faxed to (916) 653-9628.

A graphical timeline of the program is included for your reference. If you have any questions about this program, please contact Don Long at (916) 653-4313 or Tom Hanson at (916) 653-5942.

Attachment

1998 Turn-Back Water Pool Program

Criteria

1. The program is available to contractors that have signed the Monterey Amendment. The 1998 turn-back pools are subject to the criteria and provisions included in Article 56 of the long-term Water Supply Contracts.
2. Sales and purchases of turn-back water by participating contractors shall not affect the allocation of entitlement water to contractors in 1998.
3. The Department may limit or delay delivery of turn-back water due to limits on operational capacity in State Water Project facilities or due to changed operational conditions.
4. Delivery priority of turn-back water will be the same as entitlement water (Priority 1) as described in Article 12(f) of the long-term Water Supply Contract, so long as the total amount of project water does not exceed the contractor's 1998 Table A entitlement. Delivery priority of turn-back water when the total amount of project water exceeds the contractor's Table A entitlement, will be the same as interruptible water above a contractor's Table A entitlement (Priority 6).
5. Turn-back water may be stored outside of the purchasing contractor's service area. The location of this storage may be inside or outside of the State Water Project service area, but must be consistent with water rights permits for the State Water Project.

Scheduling and Charges

6. A contractor offering to sell turn-back water in Pool A must notify the Department in writing on or before Sunday, February 15. Since February 15 falls on a Sunday, offers for selling turn-back water can be faxed to the State Water Project Analysis Office at (916) 653-9628. The Department will notify all participating contractors of the availability of water through Pool A on or before February 19.
7. A participating contractor willing to buy turn-back water through Pool A must submit its written request to the Department on or before Sunday, March 1. Since March 1 falls on a Sunday, requests for purchasing turn-back water can be faxed to SWPAO at (916) 653-9628. The price for such water will be \$11.40 for each acre-foot of water purchased (50 percent of the Delta Water Rate).
8. The Department will notify all participating contractors of Pool A sales on or before March 4. For any water that remains unsold in Pool A, the offering contractor may cancel its offer to sell its share of unsold water in writing no later than March 15.
9. A contractor offering to sell turn-back water in Pool B must notify the Department in writing on or before Sunday, March 15. Since March 15 falls on a Sunday, offers for selling turn-back water can be faxed to SWPAO at (916) 653-9628. Pool B water will consist of turn-back water offered after February 15 and on or before March 15, and any unsold water from Pool A which was not canceled by March 15. The Department will notify all participating contractors of the availability of water through Pool B on or before March 19.

10. A participating contractor willing to buy turn-back water through Pool B must submit its written request to the Department on or before Wednesday, April 1. The price for such water will be \$5.70 for each acre-foot of water purchased (25 percent of the Delta Water Rate).
11. The Department will notify all participating contractors of Pool B sales on or before April 3. For any water that remains unsold in Pool B, the offering contractor may cancel its offer to sell its share of unsold water in writing no later than April 14.
12. The Department shall decide on April 15 whether to purchase any portion of unsold Pool B water remaining on that date.
13. A contractor selling or purchasing turn-back pool water will be required to enter into written agreements with the Department.
14. A contractor purchasing turn-back water should submit its revised delivery request to the Department as early as possible after being allocated the turn-back water.
15. The purchasing contractor shall pay the Department the 1998 Transportation Variable Operations, Maintenance, Power, and Replacement Component charges and the Off-Aqueduct Power Facilities Charges for turn-back pool water delivered, as described in Article 56(d)(7).
16. The 1998 turn-back water pool program shall not be a precedent for future programs.

In order to sell or purchase turn-back water under Article 56 of the contractor's long-term Water Supply Contract, please sign below in the space provided and return this attachment to the State Water Project Analysis Office. A contractor's signature indicates acceptance of the criteria, procedures, and charges for this program.

ACCEPTED:

AGENCY:

DATE:

AUTHORIZED REPRESENTATIVE:

1998 TURN BACK POOL SCHEDULE

